



INDUSTRY CIRCULAR

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

Washington, D.C. 20224

Number: 72- 27

Date: August 30, 1972

Changes in Strip Stamp and Distilled Spirits Stamp Procedures

Proprietors of distilled spirits plants
and others concerned:

Purpose. The purposes of this circular are to inform you that, effective December 1, 1972, in lieu of denominational stamps of one-half pint or more, green (domestic) bottled-in-bond strip stamps will be issued in a standard size for use on bottles or containers of one-half pint capacity or more; to provide a use-up period for the stocks of denominational stamps and for the disposition of stamps on hand at the end of the use-up period; and to announce that strip stamps and distilled spirits stamps will be stocked and issued by Regional Directors of the Bureau.

Background. Pursuant to the notice of proposed rule making published in the Federal Register for June 14, 1972 (37 F.R. 11776), the regulations in 26 CFR Part 201, Distilled Spirits Plants, will be amended, effective December 1, 1972, to provide for the issuance of non-denominational, standard-size, serially numbered green bottled-in-bond strip stamps, in lieu of denominational stamps, for use on bottles or containers of a capacity of one-half pint or more. (The use of small-size stamps for bottles having a capacity of less than one-half pint would be continued, with no change in design). Another Treasury decision, also to become effective on December 1, 1972, will provide that Regional Directors, Bureau of Alcohol, Tobacco and Firearms, will stock and issue all strip stamps (red, green, blue, and white). Procedures for the issuance of distilled spirits stamps by Regional Directors will also be effective December 1, 1972.

Green Strip Stamps Procedures.

(1) Use of stocks of denominational green strip stamps. Proprietors may continue to use stocks of denominational stamps on hand on the effective date of the Treasury decision, through June 30, 1973.

(2) Availability and ordering of redesigned green strip stamps. A standard-size green strip stamp has been designed by the Bureau of Engraving and Printing and will be available for filling requisitions no later than November 1, 1972. Proprietors who wish to start using the redesigned stamps on the effective date of the Treasury decision may file Form 428, Requisition for Bottle Strip Stamps, with their Regional Directors, Bureau of Alcohol, Tobacco and Firearms, on or after November 1, 1972. Form 428 is being revised and the revision should be available by November 1, 1972. However, if it is not available, Form 428 (Rev. 3-70) may be used by checking the correct block in item 4 and by entering, in column (b) on the line for "Standard," the quantities desired. All requisitions for the redesigned stamp, placed on Form 428 before the effective date of the amended regulations, should be noted "NEW DESIGN" in conjunction with the entry indicating green stamps. After the effective date of the Treasury decision only the newly designed stamps will be issued.

(3) Delivery of unused stamps to assigned officers. Not later than the close of business June 30, 1973, all denominational green bottled-in-bond strip stamps on hand will be delivered to the assigned officer, together with an inventory, in duplicate, listing separately by denomination all stamps so delivered. The assigned officer will, after verifying

the inventory, endorse his receipt on both copies, noting thereon any exceptions, and return one copy to the proprietor.

(4) Form 2260, Quarterly Report of Bottle Strip Stamps. This form has been revised so that all stamps will be reported as "less than 1/2 pint" or as "standard," and to provide specific columns for reporting use, by bottle size, of standard size stamps. Details for its preparation are shown on the form. Proprietors should use the revised Form 2260 for the quarterly reporting period ending December 31, 1972. Denominational green bottled-in-bond strip stamps reported after the revised form is placed in use should be reported with, and in the same manner as, standard (nondenominational) green strip stamps. In preparing Form 2260 for the quarter in which any remaining denominational green strip stamps are delivered to the assigned officer, the proprietor will enter in column (c) at line 12 the total number of such stamps delivered to the assigned officer, as evidenced by the endorsed inventory, prepared as provided in paragraph (3) above, returned to the proprietor.

Requisitions for strip stamps and distilled spirits stamps. Except as provided in paragraph (2) above, with respect to ordering standard-size nondenominational green strip stamps, all requisitions for strip stamps filed before December 1, 1972, should continue to be filed with the District Director of Internal Revenue. However, all such requisitions, as well as those for standard-size green strip stamps, filed on or after December 1, 1972, will be filed with the appropriate Regional Director, Bureau of Alcohol, Tobacco and Firearms. There is no change in the alternate procedure whereby strip stamps may be shipped directly from the Bureau of Engraving and Printing, except that such stamps will be shipped to the bottler rather than to the assigned officer and the bottler will receipt for the stamps on the original and one copy of Form 428 and forward the original to his Regional Director. (Regional Directors will also stock distilled spirits stamps for filling plant needs on and after December 1, 1972. Distilled spirits stamps will continue to be ordered and kept by the assigned officer.)

Supply of revised Forms. Your Regional Director will furnish you with an initial supply of the revised forms as soon as they become available.

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to your Regional Director, Bureau of Alcohol, Tobacco and Firearms.

Rex D. Davis

Rex D. Davis
Acting Director